# Opportunity Funded Pollution Prevention Save, Sustain, Share

# **ENVIRO-STEWARDS**Sustainability Catalysts



September 17, 2014



# Agenda

- 1. Introduction
- 2. Sustainability of P2 Measures
- 3. P2 Approach
- 4. Unsustainability of P2 Providers
- 5. Experience with a Performance Based Model
- 6. Discussion

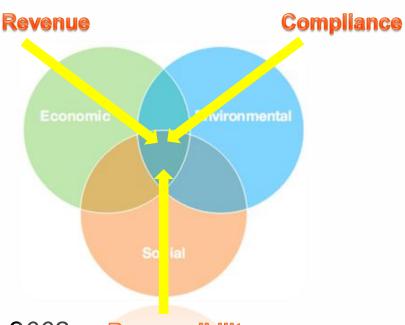




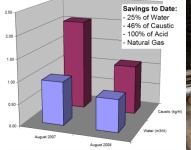




# Sustainable Development



As of Aug 2008: Responsibility Savings \$0.064/bottle







#### Introduction

Brick Brewing Co Limited operates a packaging and distribution centre located in Kitchener, Ontario. Beer from Brick's brewing facility is trucked daily to the distribution centre, where it undergoes further processing and storage prior to packaging. The distribution centre also receives returned bottles which are washed at the facility and refilled.

Under the Regional Municipality of Waterloo's W.E.T. Program, Brick retained the services of Enviro-Stewards to complete a water conservation assessment. The purpose of the assessment was to identify conservation opportunities, quantify savings and approximate their financial returns.

#### Immediate Conservation Measures Presently Being Implemented

- A reduction of 59,500 m<sup>3</sup>/yr in water consumption (39%);
- Net savings of \$150,000/yr;
- 0.3 year payback.

#### Total for Recommended Conservation Measures

- A reduction of 68,300 m³/yr in water consumption (44%);
- Net savings of \$157,000/yr;
- 0.4 year payback.



EFFICIENT TECHNOLOGY

BUSINESS



Enviro-Stewards Inc. | (519) 578-5100 | mail@enviro-stewards.com | www.enviro-stewards.com

## Enviro-Stewards Inc.

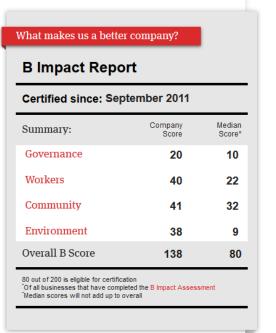
Save, Sustain, Share



Enviro-Stewards Inc. is an engineering firm and Certified B Corporation that helps clients:



- increase their profits
- sustain the environment, and
- compellingly benefit society.







It will take a combination of leadership, collaboration, innovation, energy and, ultimately, political will to move Canads through the obstacles towards cleaner, healthire, sustainable management of our bountful resources and our uncertain future. Our solutions will require brave new policy, actions, and scientific and economic tools, built with hone term vision.

Clean 15 Projects are those considered to be the most

The work of Canada's sustainability tool-smiths is shining the way on our journey towards sustainable, equitable, responsible prosperity.

Congratulations to 2014 Clean50 Project Honour











#### Enviro-Stewards and Fruition Fruits & Fills

Waste Discharge Reduction

#### **PROJECTS**

In-plant measures in Ontario are saving \$490,000/yr with an ROI of 260%, and reducing loading to sewer 80%, landfill 70% and GHG emissions 30%. A portion of the savings sponsored 40 BioSand Filters that purify 800,000 L/yr of drinking water and avoid 120 tonnes/yr of GHG in South Sudan, Africa. Fruition Fruits & Fills is a subsidiary of Tim Hortons Inc. Enviro-Stewards Inc. is an engineering firm and Certified B Corporation that helps clients increase their profits, sustain the environment, and compellingly benefit society.

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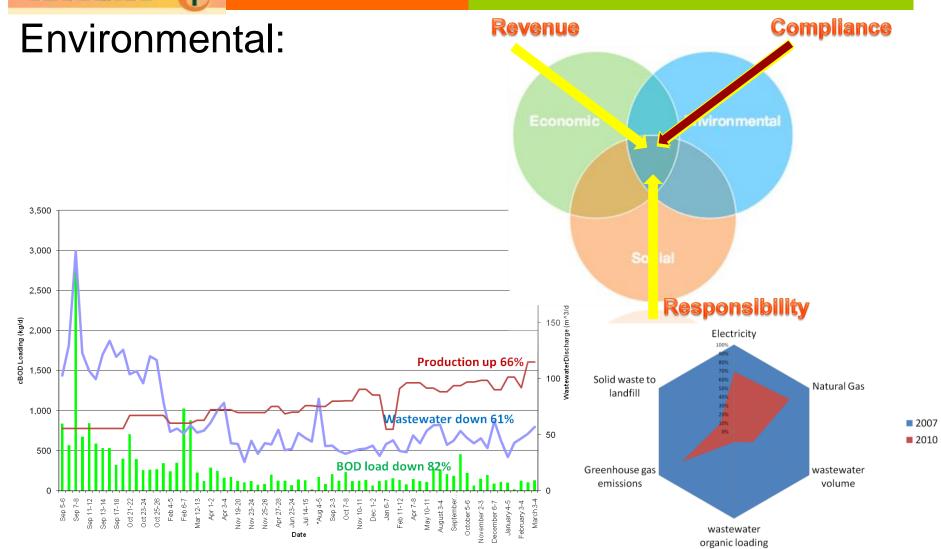
www.Clean50.com







# Sustainability Catalysts





## Economic (Annual Savings):

Category	<b>Annual Savings</b>		Canadian
	Quantity	Units	Dollars
Electricity	852277	kwh	\$ 85,227.72
Natural Gas	164294	m3	\$ 49,288.32
wastewater volume	36748	m3	\$ 91,869.02
wastewater organic loading	240024	kg	\$ 120,011.93
Greenhouse gas emissions	560	tonnes	N/A (yet)
Solid waste to landfill	510	tonnes	\$ 3,750.00
Sewer Surcharge	140285	\$	\$ 140,285.40
			\$ 490,432

Expenditure \$187,500, 260% ROI, 0.4 yrs



GO

Earth

Ter

2011 SUSTAINABILITY & RESPONSIBILITY REPORT

**OVERVIEW** 

INDIVIDUALS

COMMUNITIES

THE PLANET

**GRI INDEX** 

Sat

#### **DID YOU KNOW**



Since 2010, our Fruition Fruits and Fills facility has purchased BioSand filters to help offset some of its water use. These filters have provided 800,000 L per year of clean drinking water to the people of South Sudan, which helps prevent waterrelated illnesses such as

#### Revival Movement Centre: BSF Construction





#### Local company earns B Corporation certification



Independent Editor

one of only 20 companies in Canada that has been certified as a B Corporation.

If you don't know what that means, you're not

B Corporations are a relatively new concept. It is a certification that tells the world that at your business, maximizing profit is not the only bottom line environmental and social concerns are also at the forefront.

At Enviro-Stewards, the however. Corporation certification is merely a recognition of the way the business has always run, since day

Bruce Taylor, founded Enviro-Stewards in 2001

not-for-profit, or a for- | profit corporation.

He opted to go the An Elmira company is | for-profit route, in part because that would make it easier for him to work with prospective clients. "You wouldn't find

a company asking Greenpeace to come in and do an environmental audit," said Taylor. "A forprofit has more credibility (in the business field)."

tenets that are hallmarks of an NGO - donating 10 per cent of profits to charitable organizations, providing a living wage to his employees, and providing volunteer and work projects for his

employees. "Because of this, we get incredibly loyalty from our staff," said Taylor.

In the recent economic

head of Fruition, came with Taylor on a future trip, donating water filtration units, as well as empty pails and a fruitdrying unit, providing a es in Kajo way for families in the area to preserve fruit, nstructed on something they couldn't

do before. see map on The way he treats his employees,combinedwith 0 litres helping corporations id 3 tonnes

Even so, Taylor find environmental nat would efficiencies that are not only good for the environment, but also good for the bottom line (and staff morale as well) - made the B Corporation designation an easy fit.

Taylor was encouraged to go through the certification process after attending a recent conference

He had to go through a rigourous list of downturn, instead of questions - including

(0) tral Equatoria US Dept of State Geographer © 2012 Cres/Spot Image

See red pin in above map for location of the Revival Movement Centre (zoom into cluster of markers near the bottom of the map view).

How BSFs Work

120 tonnes/yr GHGs avoided

- Constructed using locally available materials
- · Provides local employment
- Improves the health & productivity of the community

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# Top 5 Projects in Canada 2014

#### Canada's Sustainability Heroes



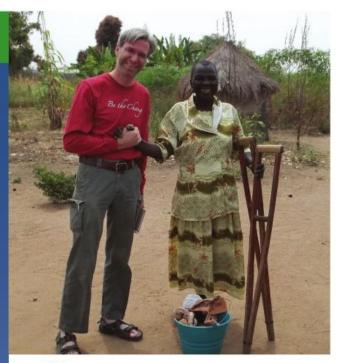
The Clean50 Awards are given annually to 50 individuals or small teams in 16 categories, who have made the greatest contribution to clean capitalism and sustainability in Canada over the prior two years. Clean15 Projects are those considered to be the most impactful initiatives in Canada.

It will take a combination of leadership, collaboration, innovation, energy and, ultimately, political will to move Canada through the obstacles towards cleaner, healthier, sustainable management of our bountiful resources and our uncertain future. Our solutions will require brave new policy, actions, and scientific and economic tools, built with long term vision.

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www.Clean50.com

# Exercise: What would it take to increase profit by \$100,000/yr for 20 years?

Winery has margin of about 14.3%. Therefore, would need to sell \$700,000 to make \$100,000

Option 1: Sell 90,000 L more wine/yr

- 180 ha of production (if 50 hl/ha)
- 126,000 kg of grapes (if 1.4 kg/L)
- 90,000+ L of cellar processing & storage
- 90,000 L of additional bottling
- 90,000 L of additional sales <u>each</u> year

# Exercise: What would it take to increase profit by \$100,000/yr for 20 years?

Alternatively, cut resource & waste expenditures by \$100k

Option 2: 10% reduction in utilities & waste

- Electricity
- Natural gas
- Water
- Liquid effluent
- Lost wine
- BOD surcharge



#### Barrier:

- initially 200% of energy

#### Resolution:

-cutting and ventilation modifications to reduce energy by 90%

Veriform's implemented measures have doubled profit margin!

4.3% profit margin





Enviro-Stewards Inc. s Pleased to Present the Following

### Sustainability Credit

to Veriform Inc. for Providing 200 m<sup>3</sup> per Year of Clean Drinking Water to South Sudan which offsets IOO% of their annual potable water consumption in Cambridge, Ontario.



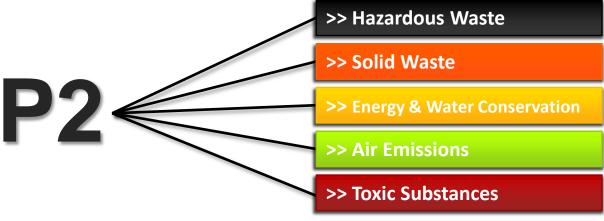
9.4% profit margin

# P2 Approach Focuses Attention where it will achieve the greatest benefit

"The time and attention of competent managers are among the most valuable and scarce resources in any organization."

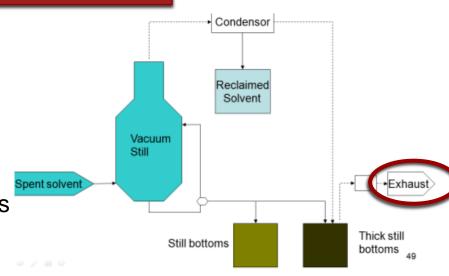
Forest Reinhart, Harvard

### P2 Approach (multifaceted)



#### **Advantages:**

- Conserve resources
- Increase product yield
- Increase energy efficiency
- Reduce waste handling & disposal costs



# Approach: Who?

- 1. Who are Your Champions?
- What are Your Wastes?
- 3. Why are Your Wastes Generated?
- 4. Where can they be Improved?
- 5. When should they be Implemented?

#### Who? – Gaining Buy-In

 To facilitate change, a multi-disciplinary team participates in kick-off training and progress meetings.

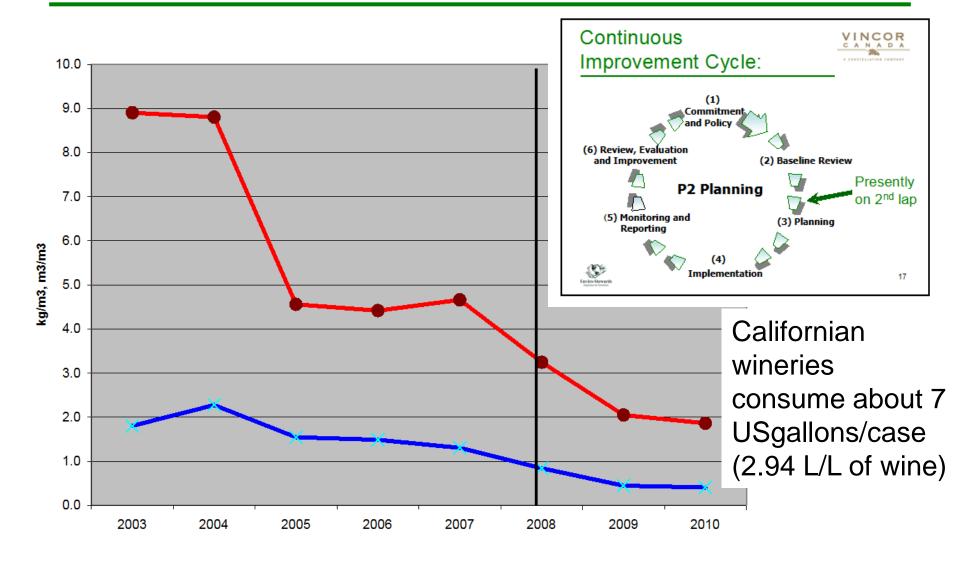
> We engage representation from management, engineering, maintenance, operations, QA/QC, etc.





# Continuous Improvement at Vincor Oliver





### What?

#### What? – Collecting Reliable Data:

 A detailed and systematic assessment of consumption and waste generation is conducted.







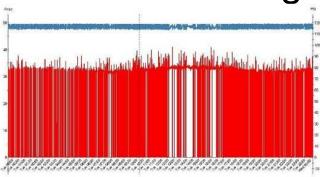


## Quantifying Electricity Consumption

### **Electrical Consumption:**

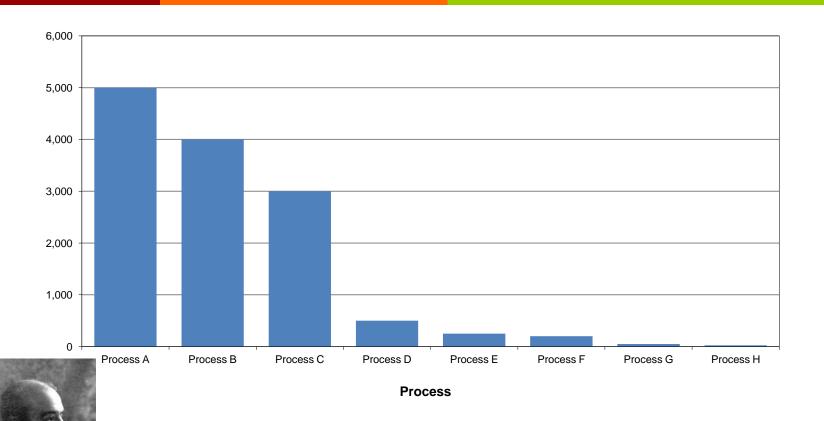
- amp loggers
- runtime meters
- light & motion loggers

### Patterns of Usage

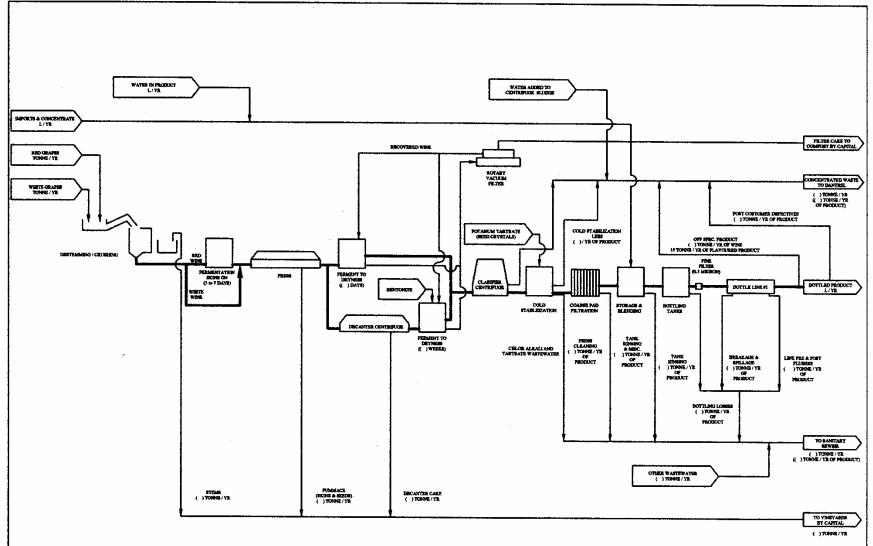




### Where (in process to intervene)?



Pareto Principle: 80% of the land in Italy was owned by 20% of the population



## **Process Flow Diagram**



Enviro-Stewards Inc.

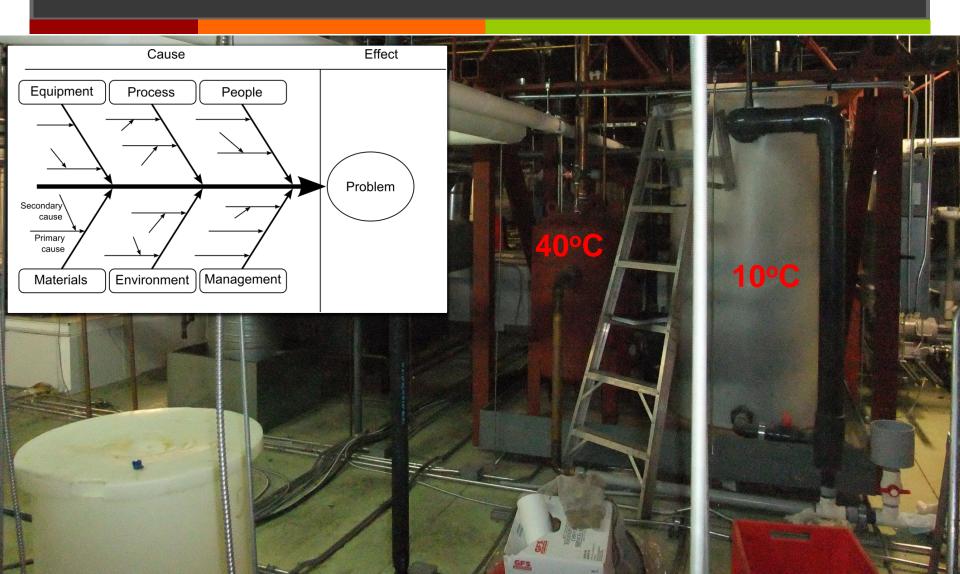
**Engineers & Scientists** 3043 (01) Oct 25, 2004, Rev. (0)

Drawn by: JBP Mechanical Technoligies

FIGURE

WINERY PROCESS FLOW DIAGRAM

## Why (identifying root causes)?



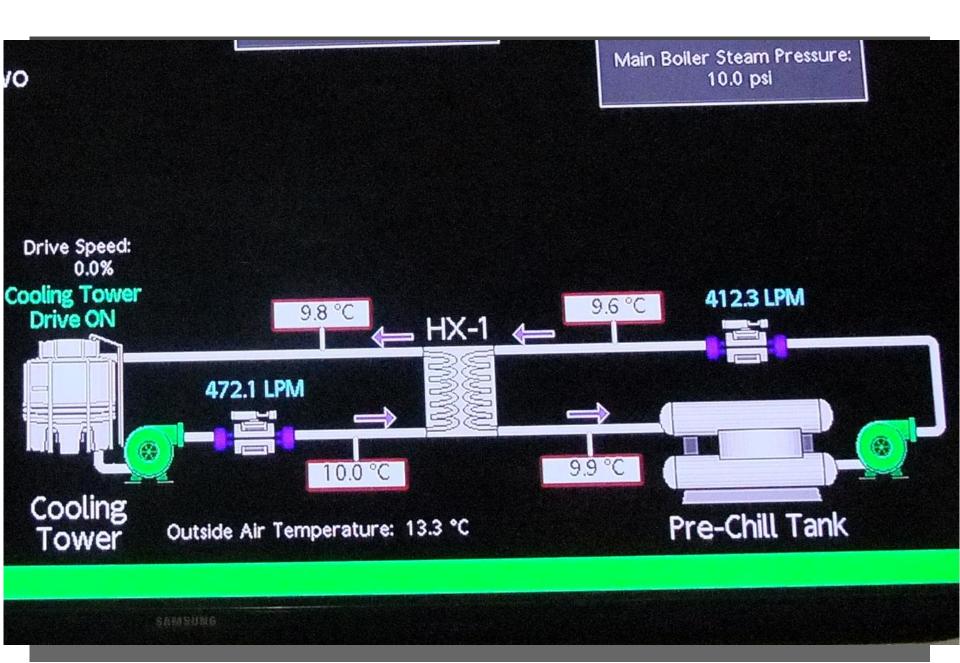
# What is the why about this picture

Where's the beef?

Gain 40,000 BTU/hr from blowers heat

Gain 31,400 BTU/hr from condensing water vapour in room chillers





## When?

TOTAL ESTIMATED CAPITAL COSTS

\$70,000

TOTAL ESTIMATED ANNUAL O&M COSTS

(RELATIVE TO STATUS QUO)

(\$54,457)

**STRAIGHTLINE PAYBACK PERIOD** (yrs)

1.3

**77% ROI** 

**NET PRESENT VALUE BEFORE TAXES** 

(assuming 20yr project life, 5% interest)

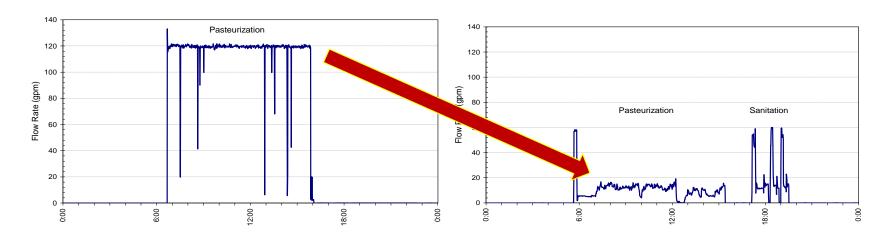
\$748,656

## Monitoring, Tracking and Reporting

#### **Documenting & Retaining Gains:**

 Data loggers, email alerts, and quarterly conservation certificates verify and retain economic, environmental and social gains





### The Trouble with P2

Although P2 Measures are sustainable for recipients

P2 delivery programs and services providers find it difficult to sustain their operations.

## Group Exercise:

What Challenges are you facing in:

- Stably Providing P2 Programs and services
- Securing sufficient Revenue from Projects to expand your impact

## P2 Program Providers: Consider Fred Granek's Career



- Managed Ontario Ministry of the Environment P2 department
  - Voluntary P2 partnerships with five manufacturing sectors
  - Managed OCETA's On-Site Technical Assistance Program
    - Funded by feds, province, local
    - Program received NPPR Most Valuable Pollution Prevention Award (MVP2)
    - Documented Results



#### **Remembering Fred Granek**

Fred had two passions - first was his love of his family. Such love and pride was apparent in all of his conversations.

His second passion was Pollution Prevention (P2) apparent in his 30+ year career as a P2 specialist. His many accomplishments include helping to found and ultimately manage the Ontario Environment Ministry's P2 unit, developing and managing the Toronto Region Sustainability Program, teaching many P2 courses, and as a Board Member, Director and then President of the Canadian Centre for Pollution Prevention.

The Toronto Region Sustainability Program's project with Fruition Fruit & Fills (a subsidiary of Tim Hortons Inc.) won a national award on September 26<sup>th</sup>, 2013.

In-plant Pollution Prevention measures there are saving \$490,000/yr with an annual Return on Investment (ROI) of 260%. They are also reducing loading to sewer 80%, to landfill 70% and GHG emissions 30%.

A portion of the savings sponsored 40 BioSand Filters that purify 800,000 L/yr of drinking water and avoid 120 tonnes/yr of GHG in South Sudan, Africa.







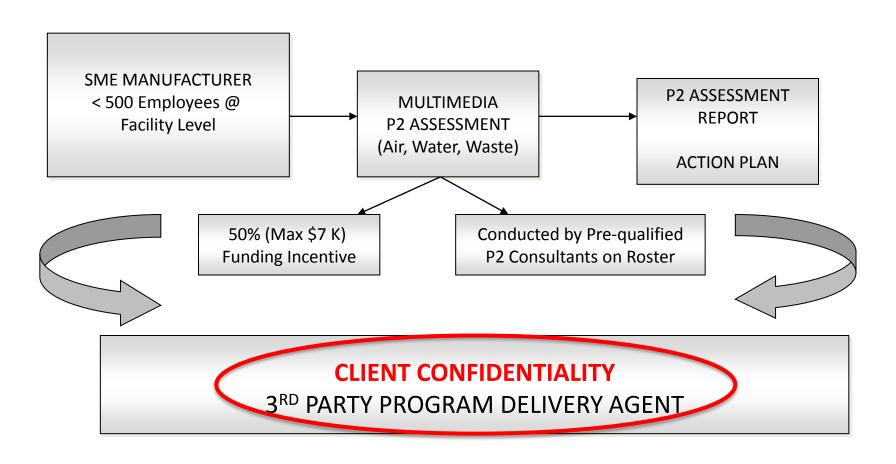
Fred's father Gerry, a respected physician, passed away in 2012. In his honour, a BioSand filter (BSF #439) was installed in the home of a family in South Sudan, Africa who had recently lost their 5 year old grandson. The grandmother's condolences to the Graneks is available on voutube.





Serendipitously, the next biofilter (BSF #440) was available for sponsorship at the time of Fred's passing. This biofilter was purchased by Mary, the owner of a local medical clinic who recognized the health and economic benefits of avoiding illness. As she had purchased the biofilter with her own money, the sponsor's funds were then used to help launch the next biofilter production facility (in Yei, South Sudan).

## Ontario On-site Technical Assistance Program Model





### The Business Case



/ Reputation

**Company Value** 

#### **Cost Avoidance**

- Cost savings
- Payback period
- Operational Efficiencies

#### **Business Risks Reduction**

- Hidden costs of noncompliance
- Workers Health & Safety
- Spills, fines, high remediation costs
- Changing regulations

#### Competitive Advantage

- Green marketing
- Access to Global markets



## Ontario On-site Technical Assistance: Clientele B91cclients

- Aerospace (1)
- Auto Parts (2)
- •Chemical (13)
- Circuit Board (3)
- Container/Tanker Cleaning (3)
- Cosmetics (1)
- Courier Service (1)
- Electrical Equipment(1)
- Food Processing (7)
- •Foundry (1)
- •Furniture (3)
- •Heat Exchanger (1)

- Hospitals (4)
- Metal Finishing & Fabrication (9)
- Packaging (3)
- Paint/Coatings (4)
- Petroleum Products (1)
- Pharmaceutical (1)
- Printing Lithographic (24)
- Printing Flexographic Plate (2)
- Printing Plastic (1)
- •Printing Roller (1)
- •Rapid Transit (1)
- Plastic Products(2)
- •Steel Tubular Products (1)



# Ontario On-site Technical Assistance: Reductions

Volatile Organic Compounds (VOCs) 865 Tonnes

■Fine Particulate (PM <10u)</p>
16 Tonnes

■Metals 326 Tonnes

■Toxics (CEPA) 4,841 Tonnes

■Toxics (TRA – from 2010) 639 Tonnes

Hazardous Wastes3,047 Tonnes

■Process Wastes 8,964 Tonnes

■Water 1,027 Kilotonnes

■Energy (Natural Gas) 4,802,418 Metres <sup>3</sup>

Energy (Electricity)11,435 MW-hrs

■Green House Gases (GHGs) 13,617 Tonnes





## **Key Program Outcomes**

- Implementation rate: 90%
- Payback <= 1 year</p>
- Clients with public case studies: 50%
- Number of P2 projects/client: 7.5



# Ontario On-site Technical Assistance: Financial Results

#### **Totals**

Savings (Annualized)

Capital Investment

Payback

\$9.4 million

\$9.1 million

12 Months









## Ontario On-site Technical Assistance: Tax Implications

Additional Annual Federal &

Provincial Corporate Taxes \$1.5 million

Additional Future Corporate

Taxes – 20 Years

\$48.2 million







### Reward

Program funding terminated (despite \$100 in additional taxes per \$1 invested in the participating facilities)

**NGO** ends the Program & Employment

Fred Re-launches C2P2

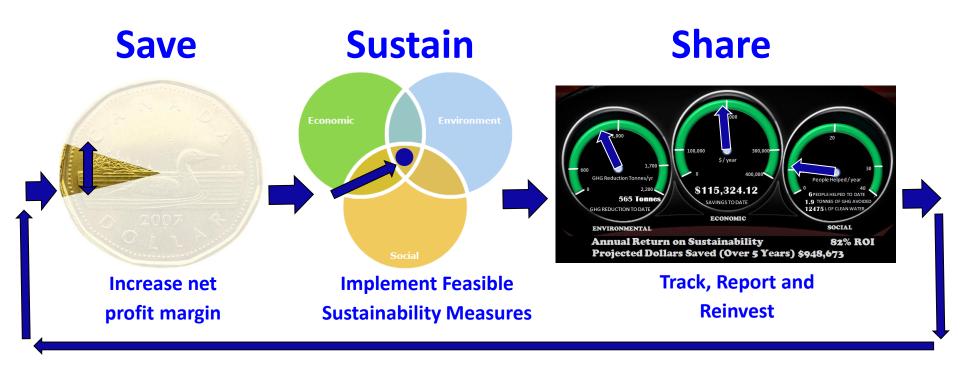




### P2 Service Providers:

- Conventional RFPs favour incompetent providers
  - If don't measure things and don't find many opportunities to cost out, you can win on low price "we have 2 quotes how much is yours"
- Engineering companies make much more money building things compared to eliminating the need to build things
- The implementable savings cannot be quantified prior to the P2 assessment work. Therefore, it is difficult to establish a value based price prior to the work.

# Enviro-Stewards' Experience Providing Performance Based P2 Services



# Enviro-Stewards' Experience Providing Performance Based P2 Services

- Aerospace
  - outsourcing
- Food Processor
  - \$ vs water
- Confectionary
  - implementation
- Restaurant
  - magnitude of savings
- Food Co-op
  - competitive advantage, relationship
- Winery
  - corporate contract

# Group Exercise: Performance Based P2 Services

When considering funding P2 services with a portion of the net savings, what are the:

- Strengths,
- · Weaknesses,
- Opportunities, and
- Threats

Consider both program provider and service provider perspectives

### Contact Us



#### **Questions?**

#### **ENVIRO-STEWARDS INC.**

1 Union Street Elmira, Ontario N3B 3J9

**Phone:** (519) 578-5001 **Fax**: (519) 669-5002

Or visit us at our website:

www.enviro-stewards.com



